



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

March 3, 1999

Lisa Zumpano
Gemstone Mining, Incorporated
#850-1095 West Pender Street
Vancouver, BC V6E 2M6
Canada

Re: Receipt of Interim Bond, Red Beryl Project, S/001/011 and S/001/012, Beaver County, Utah

Dear Ms. Zumpano:

This letter is to inform you that on June 2, 1998, the Division received your "interim surety bond" in the form of a check drawn on National Bank of Canada in the amount of \$37,500. This surety is an interim bond for the Red Beryl projects located in Beaver County formerly operated as small mines by Rancho Equipment Services (S/001/011) and Rex Harris (S/001/012).

On February 8, 1999, the Division received Gemstone Mining Company's submission of a Notice of Intention to Conduct Large Mining Operations (LMO) to assume the two small mining notices into one large mining permit. When the LMO is reviewed and before final approval granted, the surety may have to be adjusted to reflect final bonding calculations.

Thank you for submitting the interim surety. I apologize for the delay in sending you this acknowledgement letter. If you have any questions regarding this letter, please contact me at (801) 538-5321.

Sincerely,

Tom Munson
Senior Reclamation Specialist

jb
cc: Clinton Christensen, Project Geologist, Cedar City
Ed Ginouves, BLM, Cedar City District Office
redberyl.sur